



# CITY OF MCKINNEY, TEXAS

## Legislation Text

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**File #:** 17-880, **Version:** 1

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Conduct Second Public Hearing on Proposed Tax Rate for Fiscal Year 2017-18 (Tax Year 2017)

**COUNCIL GOAL:** Financially Sound Government

**MEETING DATE:** September 5, 2017

**DEPARTMENT:** Financial Services

**CONTACT:** Mark Holloway, Chief Financial Officer

**RECOMMENDED CITY COUNCIL ACTION:**

- Conduct the second public hearing on the FY2017-18 proposed tax rate.
- Announce:
  - Tax Rate Adoption Date: September 19, 2017, 6:00 p.m. at the Jack Hatchell Collin County Administration Building, 4th Floor-Commissioners Court, 2300 Bloomdale Rd.

**ITEM SUMMARY:**

- The proposed tax rate is \$0.540199 based on 100% market ratio on each \$100 of all taxable property within the City. The proposed tax rate is 0.032801 cents lower than last year.
- The rate for Maintenance and Operations (M&O) is \$0.375611 per \$100 valuation.
- The rate for Interest and Sinking Funds (I&S) is \$0.164588 per \$100 valuation.
- The tax rate ratio is 70% for M&O and 30% for I&S.
- The proposed tax rate exceeds the effective tax rate of \$0.526703.
- The proposed tax rate will raise more taxes for M&O than last year's tax rate.
- The amount of taxes imposed this year on the average home value of \$324,636 would be \$1,754.

**BACKGROUND INFORMATION:**

- State law requires an entity to hold two public hearings before adopting a tax rate.
- On July 31, 2017, the City Council took a roll call vote on the tax rate.
- The two public hearings are on August 15, 2017 and September 5, 2017.
- The tax rate adoption date is September 19, 2017, which must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the Ordinance.

**FINANCIAL SUMMARY:**

- Estimated maintenance and operations tax revenues of \$72,467,604 (100% collection rate) for FY 2017-18 are based on this tax rate.